Message Text

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ORIGIN EA-14

INFO OCT-01 ADP-00 SS-15 XMB-07 SSO-00 NSCE-00 INRE-00

EB-11 SCEM-02 L-03 TRSE-00 COME-00 FPC-01 NSC-10

CIAE-00 INR-10 NSAE-00 RSC-01 PA-03 PRS-01 USIE-00

CIEP-02 OMB-01 INT-08 /090 R

DRAFTED BY EA/J: TCHUBBARD:BD

EXT., 23152 - 8/17/73

APPROVED BY P - MR. PORTER

EXIM - MR. NORRIS (SUB)

IMS - MR. HEAVNER (DRAFT)

EA - MR. HUMMEL

EA - MR. BARGER

EA/J - MR. ERICSON

EB -WARMSTRONG

S/S - MR. PICKERING

----- 118917

OR 180013Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO IMMEDIATE

INFO AMEMBASSY JAKARTA

SECRETSTATE 164627

E.O. 11652:GDS

TAGS:ENRG,BEXP, ETRN, JA, ID

SUBJECT:INDONESIAN LNG

REFS: A. TOKYO 10419 B. JAKARTA 9874

1. WE VIEW WITH CONCERN REPORTS THAT JAPAN MAY BE
MANEUVERING TO BUY ALL GAS AVAILABLE FROM BOTH NORTH SUMATRA
AND KALIMANTAN FIELDS. TOKYO SHOULD THEREFORE MAKE LOWKEYED APPROACH AT APPROPRIATELY HIGH LEVEL, REITERATING
OUR INTEREST IN SEEING THAT INDONESIAN NATURAL GAS IS MADE
AVAILABLE TO US FIRM AND REQUESTING AUTHORITATIVE CLARIFICATION OF JAPANESE INTENTIONS. IN VIEW OF POLITICAL
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SENSITIVITIES INVOLVED, BELIEVE YOU SHOULD APPROACH FONOFF

AS WELL AS MITI. COUNTRY DIRECTOR TOLD JAPANESE EMBASSY POL COUNSELOR MURATA AUGUST 17 THAT SUCH APPROACH WILL BE MADE.

- 2. AS INDICATION OF OUR STRONG INTEREST, YOU MIGHT NOTE THAT US EXIMBANK HAS APPROVED PRELIMINARY COMMITMENT FOR LOAN TO FINANCE PORTION OF LNG PLANT AT ACEH, NORTH SUMATRA. TERMS AND CONDITIONS OF LOAN REQUIRE THAT INTERLOCKING 20 YEAR CONTRACTS BE SIGNED BY ALL PARTICIPANTS IN THIS PROJECT TO GUARANTEE PRODUCTION, LIQUEFACTION, TRANSPORTATION TO US DELIVERY POINT AND REGASIFICATION. IT IS SPECIFICALLY STIPULATED THAT THERE MUST BE SALES CONTRACT BETWEEN PERTAMINA AND PACIFIC LIGHTING SERVICE CO.
- 3. YOU SHOULD EMPHASIZE THAT WHAT WE ARE SEEKING IS AUTHORITATIVE INFORMATION FROM GOJ WHICH WE MAY USE TO COUNTER CRITICISM FROM SOURCES WITHIN US THAT JAPAN ATTEMPTING TO FREEZE US OUT OF LNG RESOURCES FROM INDONESIA, AN ACT WHICH WOULD BE VIEWED BY MANY IN US AS CONTRADICTING SPIRIT OF COOPERATION ON ENERGY MATTERS WHICH WAS MOST SIGNIFICANT FEATURE OF NIXON-TANAKA SUMMIT. IT WOULD BE HELPFUL IF WE COULD HAVE THIS INFORMATION PRIOR TO EXIMBANK PRESIDENT SUMITA'S AUG 20 ARRIVAL IN WASHINGTON, SINCE THIS SUBJECT LIKELY TO ARISE DURING HIS DISCUSSIONS HERE.
- 4. YOU SHOULD ALSO ATTEMPT ELICIT INFORMATION ON SPECIFICS OF JAPANESE INTENTIONS AND MOROZUMI-RADIUS AGREEMENT OF APRIL 20. ARE JAPANESE SEEKING EXCLUSIVE RIGHTS TO ALL GAS FROM BOTH FIELDS? OR JUST TO GAS WHICH MAY BE LIQUEFIED BY JAPANESE FINANCED PLANT OR PLANTS? HOW MANY PLANTS ARE JAPANESE PLANNING TO FINANCE? YOU MIGHT ALSO ATTEMPT CONTACT UTOMO AS SUGGESTED REF B.
- 5. FYI OUR INTEREST IN THIS SUBJECT ARE THREEFOLD: PURCHASE OF PORTION OF GAS, SALE OF LIQUEFACTION PLANT, AND SALE AND OPERATION OF TANKERS TO CARRY GAS TO US AS WELL AS JAPAN END FYI. ROGERS

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To: TOKYO

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